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STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

KEITH W. COOLEY
DIRECTOR

To: State and Huron County Boundary Commissioners

From: Christine Holmes
State Boundary Commission

Date: November 1, 2008

Subject: **ADJUDICATIVE SUMMARY - DOCKET #08-I-1**
**Docket # 08-I-1: Petition to Incorporate the General Law Village
of Sebewaing as a Home Rule City, Huron County**

In addition to other information and comments submitted during the public hearing, the 30-day comment period, and the 7-day rebuttal period, this docket summary is to provide assistance in your adjudicative deliberation and decision-making in consideration of the 18-point evaluation criteria.

General

The petition requesting the proposed incorporation was filed with the Boundary Commission on May 8, 2008. The petition was approved for legal sufficiency on June 19, at which time the Commission approved consideration of expanding the area proposed for incorporation; the public hearing was held on September 4th; the 30-day period expired on October 6; and, the 7-day period expired on October 27. The land area of the Village of Sebewaing is 1.6 square miles.

Information on the record from the Village of Sebewaing:

1. The petition includes an official resolution that was unanimously adopted by the Village Council in support of the proposed city incorporation.
2. A majority of the village residents support the proposed incorporation. At the time of a recent survey conducted by Sebewaing Township, only 19% of village residents disagreed with the proposed incorporation.

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3. The existing Village limits contain approximately 1,000 parcels, 868 of which are housing units.
 4. The Village has 178.298 acres zoned agricultural, of which 174.732 acres (998%) are used as zoned.
 5. The residents of Hickory Court subdivision in Sebewaing Township, who oppose being included in the expanded area, want all the service conveniences of living in the Village, but don't want to be part of the Village and complain about the cost differential.
 6. Proponents feel that cityhood would prevent additional taxation by units of government that do not provide a proportionate share of services.
 7. If incorporated, the Village estimates no increase in the cost of current services. Monies currently being paid to the Township will offset any increased costs of operating as a city.
 8. The only additional services would be providing state and federal elections and property tax assessment. The Village already owns one voting machine and a few voting booths.
 9. Village residents have been paying 3.97220 mills to the Township for road millage without receiving any return in service. Over the last six years, Village residents have paid over \$700,000 into the Township's road fund. The Village anticipates no further road funding than what is already being received through Public Act 51 and general obligation.
 10. The Village provides the following services to its residents:
 - Public water
 - Sanitary sewer* (Village Dept. of Public Works)
 - Police (Village Police Department)
 - Tax Collection
 - Village Elections
 - Electric Utility and Street Lighting (Sebewaing Light & Water Dept)
 - Department of Public Works (road maintenance and snow removal)
 - Parks & Recreation
 - Refuse Collection (by contract with a private firm)
 - Marina (joint venture agreement between Village & Township: \$8,000 each annually)
 - Zoning Commission
 - Zoning Ordinance
 - Master Plan
- * a. Property owners in Village pay \$3.35/1,000 gal. + a \$20/mo "ready to serve" charge.
- b. Property owners outside Village pay:
- \$3.50/1,000 gal. + a \$22.50 "ready to serve" charge.
 - \$1,500 capacity fee in lieu of assessment
 - pay for sewer lead if service is available

11. Taxes

- current taxes collected by Township from Village:	\$243,224
- total taxes collected by Township:	\$541,371
- anticipated taxes collected by Township if Village incorporates:	\$298,147

12. SEV (Real & Personal)

	<u>Village</u>	<u>Township</u>	<u>Expanded Area</u>
2008	\$41,475,900	\$57,394,000	\$3,528,100
2007	\$42,060,000	\$50,807,300	
2006	\$42,359,700*	\$50,601,100	

** Note: although the 2006 Real Property SEV reported in the Village questionnaire has been corrected in Item #33 of the Village's 30-day material, it should be noted that a discrepancy exists in the total 2006 (Real and Personal Property) SEV of the Village: the above math correction results in a total of \$42,359,700; whereas, the slide presentation handout identifies the total as \$42,687,316.*

13. Unit Millage

	<u>Village</u>	<u>Township</u>
	Current	
2008	(not reported in questionnaire)	6.0158
2007	17.4870	6.9838
2006	17.4870	6.9838

14. If incorporated, Village residents would save a millage levy of 5.2542 mills currently being paid to the Township for general operating expenses and roads. The millage levy on roads to Village residents is 3.97220.

Note: is this a discrepancy or is staff misinterpreting information between the Village questionnaire and the slide presentation handout?

Questionnaire

Current millage: 66.0464 (to the Township for general operating expenses and roads)
Savings: 5.25 mills (for general operating and township roads)

Slide presentation

Current millage rate: 46.52590
Proposed millage rate: 41.27170
Net Difference: (5.82 mills)

15. Attempts by the Village to enter into joint ventures with the Township, such as combined municipal offices, police protection, and road repair have been rejected by the Township.

16. The Village is neither specifically part of any land use plan, nor is it included in the Township's Master Plan. However, Village residents were included in the community input survey for the Sebewaing Township Master Plan. The County of Huron's plan has general guidelines, but nothing specific for the Village.

Information on the Record from Sebewaing Township:

1. The land area of the Township is 31 square miles.
2. The Township consists of 1,967 parcels, 1100 of which are located in the Village.
3. The current unused acreage for commercial, industrial, and residential use would accommodate substantial growth within the existing boundaries of the Village without incorporating as a city or expanding the area.
4. The Village receives the following services and support from the Township:
 - elections
 - tax assessing and collection
 - fire and ambulance
 - library
 - airport
 - marina
 - roads
5. Village residents pay substantially less per capita for library and emergency services than the remainder of the Township. Village residents pay 43% of library costs, but they are 67% of the population utilizing this service. Village residents pay 43% of fire and ambulance costs, but 74% of the runs are in the Village.
6. Village residents are now paying the Township a millage of 6.0158. According to a Township analysis (provided by the Township in their 30-day material), Village residents will pay an additional millage of at least 1.6659 to fund required replacement services for the proposed city.
7. If the Village incorporates, the Township could no longer afford to contribute their 50 per cent share (\$8,000) to operate the marina, which is located in the Village. *(Note: from the information presented, it is unclear to staff whether the cost-sharing for the marina is \$8,000 or \$4,000 for each municipality.)*
8. Village residents should take their time and hear all the facts before deciding on incorporation, and should also be concerned about quality of life and relationships among people.
9. Sebewaing Township submits that it would not be reasonable for the Village of Sebewaing to incorporate as a city.

10. Budget expenditures for personnel expenses in 38.8 percent of the Village budget, and 21.2 percent of the Township budget.
11. The proposed incorporation would not have much affect on the Township's land use plan.

Proposed Expanded Area – General Information
(based on information from the record)

- | | Population | Acres |
|----------------------------------|------------|-------|
| 1. Village Questionnaire reports | 88 | 75 |
| Township Questionnaire reports | 100 | 72 |
2. Area "A" consists of 55 parcels; the subdivision contains approximately 40 homes that were developed 40+ years ago.
 3. Area "B" and a part of area "A" also consist of agricultural farm property.
 4. A boundary line proposed by the Commission divides the Lutheran Church property, which would separate the church from the school.
 5. Most property owners in the expanded area already receive the following village services:
 - Public water
 - Sanitary sewer
 - Electricity (village light and water dept)
 - Waste management & recycling

The health department requires some parcels to be connected to village services.

Other Information from the Record

1. Population (based on federal decennial census data):

	<u>Village</u>	<u>Township</u>
2000	1,974	970
1990	1,923	1,014

2. Population Density

<u>Village</u>	<u>Township</u>
1.9 popu/acre	.5 popu/acre (31/sq. mi)
1,233.75 popu/sq. mi.	31 popu/sq. mi.

3. Police & Fire

Village is providing police service to the Township as the county is not able to service the area adequately without compensation by the Township. Police services are provided based on "first responder."

Village Police Department

- Station located in Village
- Officers: 3 full time / 13 part-time officers

Sebewaing Fire Authority (Fire/EMS/Ambulance)

- Provided by Township
- Station located in Village
- Firefighters: 20 volunteer
- Underwriters rating: 7-10
- Funding: voted millage (.9861) in Village and Township
+ a charge for each fire run.

4. The Village receives road money from the Michigan Transportation Fund (51 PA 1951).
5. The Village and Township met on September 29, and were scheduled to meet again on October 28, to discuss an amicable solution to their differences.

Public Comment Excerpts

1. The current agreement for emergency and library services will have to be re-negotiated, as the Township currently provides these services.
2. Because the Township opted not to renew one mill of road millage, it would be 4.2 mills dropped, not the 5.25 as reported by the Village, if incorporation is successful.
3. The road millage is the issue that prompted the movement for incorporation.
4. The Village and Township are small agricultural communities, like most of the surrounding area, which are experiencing the same problems as neighboring municipalities:
 - Stagnant population growth
 - Declining school enrollment
 - Farm consolidations and closings
 - Manufacturing and commercial facilities exiting
 - Excessive amount of homes for sale
5. Concerns expressed about bringing agricultural property into the proposed city. The Village has room for growth within its existing boundaries without the need of additional agricultural land. It is not right to achieve tax savings by authorizing unwanted annexations.

6. The speakers and writers from the expanded area expressed mixed views as to the pros and cons of the proposed incorporation of the existing Village, but they were clear on their opposition of being included.
7. The effects of including the expanded area and the additional property tax obligation would not only be devastating, especially to the 22 of 41 households owned by retirees, but also cause additional property devaluation due to the very high taxes and very high utility costs imposed by the shift from the Township to a city.
8. Of the 41 homes in Hickory Court, eight homes (20%) are currently for sale.
9. If incorporation was not a good thing, why are nearby municipalities pursuing it and some already have it?
10. Township should help support services provided by the Village police department. The Township response has been then the police should not leave the Village. That is not an option because of the "first responder" rule.
11. In 2006, the Village paid \$135,000 to the Township for the road millage. The Township has never allowed Village residents input or support on roads. Historically, Village residents supported the road millage because they felt they were also residents of the Township.